Small firms' internationalization for development in Tanzania: Exploring the network phenomenon

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ABSTRACT

The paper attempts to explore the role of networks in small firms' internationalization in Tanzania. It notes that while firm internationalization has been studied extensively, inquiry into how small firms enter foreign markets and the strategies they use has not received much attention. The study is further motivated by the fact that export performance of developing countries is alarmingly low, and hence there is need for African governments to create an environment that will stimulate small firms' competitiveness in the current globalized export markets if the millennium development goals are to be attained. This requires capacity building of the actors in order to take advantage of the benefits of the market access strategies under the global partnership for development. One such approach is to promote partnering and networks. The Tanzanian exploratory study has revealed that networks eliminate small firms ownership disadvantages and their perceived psychic distance, thereby facilitating their entry into foreign markets.

Keywords: International business, Export markets, Small enterprises, Network operating systems, Development, Tanzania